

INFORMAL TALK AS DELIVERED YESTERDAY (JANUARY 11, 1955)
BY LEWIS L. STRAUSS, CHAIRMAN, UNITED STATES
ATOMIC ENERGY COMMISSION, TO NATIONAL
PRESS CLUB - 1:00 P.M.

This being the season of the year when businesses, having completed their year-end inventories, are setting up their balance sheets and writing the first drafts of annual reports to stockholders, it occurred to me to try and give you a "trial balance" of the AEC. I don't mean by that to unload upon you a lot of figures and statistics. Instead, I thought you might be interested if I separated the debits and credits, -- the things accomplished, and the things undone, or muffed, -- as I see them from the marble sanctuary over on Constitution Avenue.

In order to be able to conclude by enumerating the good things, -- the assets -- I will begin with the debits.

The first item, and most important of these, it seems to me, was the discovery that Malenkov wasn't talking through his hat about what we call "a thermonuclear reaction". The Soviets produced it, without any doubt, and it is unintelligent to decry their scientific competence. Proficiency in the technology of nuclear weapons, and indeed of science and engineering generally, is not so much of an American monopoly as popular misconception once would have had it. Of course, by contract with our weapons tests, Russian atomic weapons tests according to them are all benign. They remove mountains, change the

course of rivers, and never, never have any dangerous aspects or any baneful effects on the world, also according to them. Only the tests conducted by the United States are wicked, war-mongering, and horrendous affairs. Artful Soviet propaganda has actually persuaded many people to this fantastic belief, -- even in our own country. At any rate, Soviet progress in weapons development is, or ought to be, a prime concern of free people. Many feel it reduces the time within which the world has to work out some sort of modus vivendi.

Item 2 in the debit column is criticism of the personnel security program, which arose as a result of the case of Dr. Oppenheimer. Periodically, the personnel security program has given us grief ever since the beginning of the AEC. By 1950 we had evolved what we believed was a very fair procedure to deal with security cases. It has been widely commended by both men of law and men of science. It is a procedure that provides the individual, against whom charges have been brought, with every protection we could think of. He has to be furnished with a written catalogue of allegations; he can resign or he can elect a hearing; if he elects a hearing, he can challenge the persons selected for the special hearing board; he can be represented by counsel; he can attend all hearings himself; he can confront all witnesses, and he and his counsel can cross-examine all the witnesses. He can appeal from an adverse

decision to a board of review, and finally, he can absolutely control the issue of whether or not existence of the proceedings is to become known. In spite of all this, there are those who feel that injustice is occasionally done, -- just as I suppose is true of losers in actions before a court of law. Over the years, we have tried to see what, if anything, can be done to improve the procedures.

To this end, I wrote to all our Laboratory Directors in November to say that we would ask them to meet with us here for an exploration of the subject. The meeting is scheduled to begin on Monday of next week. I have had a considerable correspondence on this subject with individuals and organizations, and no radically new ideas have come to my attention. We are, however, going into the meeting with an open mind. Under present procedures, it has been possible to protect the security of the operations of the Government as well as the rights of the individual, with due regard to the interests and privileges of both. I think it will never be possible, however, to satisfy everyone even under the long-established rules of jurisprudence. The recent records of protests made after fair trials before juries, in the presence of our press and the press of other countries, demonstrates this point.

Item 3, also on the debit side, would be the misunderstandings about the Mississippi Valley Generating contract -- or the Dixon-Yates contract if you still prefer to call it that

and I suppose it always will be called that. The contract, itself, should be listed among the assets. And anticipating some questions about this later, I will not now say more about this contract or the two previous ones which were negotiated with private utilities under the preceding Administration, except that primarily the MVGC contract is different in two main particulars: first, it is smaller than either of the other two, and second, it had the misfortune to occur in a year when issues were scarce. As my friend Roscoe Drummond said, they were grasping at straws. Well, they got me! I don't know what will come out of the SEC hearings on the capital setup, but I do know that the MVGC contract is a better one than its uncriticized predecessors because we benefited from our experience with them. And I know also -- and this is important -- that the AEC is not a part of any cabal or conspiracy to hurt the TVA. My own background makes me a strong believer in free, private enterprise and in the doctrine that, generally speaking, that government governs best which governs least. But I have no private war, cold or hot, with the TVA, and no connections, material or sentimental, with any private company engaged in the production of electrical power, now or in the past.

Debit item number 4 might be the uproar over the positions of the Chairman and the Commissioners. This issue is dead as far as I am concerned, but it was a liability during the early months of the past year, and I might be thought evasive if I

Approved For Release 2003/05/23 : CIA-RDP80B01676R000700140081-3

did not mention it in a totting up like this. When the new Atomic Energy Act was being drafted by the Joint Committee, they took note of the fact that the original McMahon Act was silent as to the duties and responsibilities of the Commissioners and the Chairman. This fact produced difficulties from the very outset. So the Committee draftsmen attempted to solve this by making the Chairman "the principal officer". When I first saw this, I think it was about the 8th of April, I wrote to Chairman Cole to ask what the words meant because I didn't know and I thought that the language might be ambiguous. Well, just about then the storm broke and I was depicted as a power-mad autocrat, and a lot of other not very complimentary things. I've since been able to add to that collection and now have some columns in which I am described as a wire-tapper, an eavesdropper, a blackmailer, a short, natty promoter and, believe it or not, an antisemite. But I do not think our auditor will let me set up these epithets on the balance sheet since, if debits, they are mine, not the AEC's.

At the end of the debit column I would note that none of these liabilities has adversely affected the work of the Commission, and none of the harassments which are personal to me, has slowed the output of weapons, the development of power, or crippled the effectiveness of our enterprises in mines, mills, chemical plants, reactors, laboratories, and hospitals, as the credit side of the balance sheet will show.

The credit side of the ledger is pretty good.

Item 1 on the credit side, of course, is the state of the weapons program which is AEC's paramount responsibility. Naturally, I can't go into much detail about it. It has never been stinted by the Congress. It has had the devoted efforts of absolutely top-flight teams of physicists, chemists and engineers from the very beginning, and we still have these men on the job. It has had the breaks in invention and in inspired ideas and it has enjoyed the cooperation of all branches of the Armed Forces, who from the kickoff, have put their first teams of brilliant officers into this assignment. The result is that our stockpile of weapons is large, is growing rapidly, is diversified to suit the needs of the services and the particular tasks they are to accomplish in the unhappy event of war. Those of us who served on the Commission in its early days never imagined anything like it (I had better modify that to say that, at least, I didn't). It is my honest belief that we are well ahead of any competition at this time.

Item 2, on this side of the ledger is power. Electrical energy from the atom has been the dream of the engineer since the first chain reaction. Even back in 1946, we knew that as a stunt we could light a few lamps with the heat from a pile. But as recently as the spring of 1953, we thought it would be some years before private industry would risk any amount of private dollars in this development. However, already last

September 6th, President Eisenhower broke ground at Shippingport for what we call the PWR (the pressurized water reactor) which by 1957 should be delivering 60,000 kw into the grid of the Pittsburgh area and which represents a large investment of private capital. This is the first of what we hope will be at least one reactor a year for the next several years in the endeavor to get the cost of electricity so generated down to a competitive basis with power from the conventional fuels. Of course, there are places on the world map where, even today, such power as we can now produce would compete with energy from the burning of coal and oil. You know, of course, about the Nautilus, and as soon as her defective piping is replaced which is soon, she will be ready to join the fleet. The packaged power reactor which we are developing for the Army should be a reality by 1958.

All in all, we are in the power development field with vigor.

Item 3 would be the new legislation. The effect of the new law is one of great relaxation from the monopolistic provisions of the old statute. American ingenuity through American business, can now enter the forbidden portals of atomic energy and, with the proper safeguards, develop it not only for the public benefit but for profit. We will be on our way back to the American system. Details of licensing, pricing, etc.

have been under study and as they are approved by the Commission, will be announced -- as was done in part on yesterday.

Another effect of the new law has been to facilitate atomic cooperation with our military allies on a realistic basis. We had already arranged in the autumn of 1953 to exchange information with them about the effects of atomic weapons so that they might better protect themselves in the event of attack. Now, under the new law, we will be able to give them certain other information as specified in the Act which will intensify our value to them as allies and theirs to us, in the event of war.

Item 4 would be the results of always interesting and sometimes spectacular progress in the use of radiation in the arts and sciences -- in medicine, biology, agriculture, chemistry and metallurgy, to name but a few. These advances would require much too long even to catalogue here. The semiannual reports of the Commission -- a new one is due to go to the printer shortly -- are specific and detailed on these unclassified points.

Item 5. We have greatly expanded the areas of free information. Less and less one hears the Commission criticized for its policies on security of information. We have published, or released for publication, a flood of technical information. Yet at the same time that we have relaxed security in areas where it is no longer justified by the nature of the material,

I am convinced we have maintained and even intensified our surveillance over the security of data which, under no circumstances, should ever be permitted to fall into enemy hands. It used to be fashionable to scoff at our information security procedures. I believe that climate has materially changed. But of course you are the court of last resort.

Item 6. The most hopeful asset on the balance sheet is the President's proposal of Atoms-for-Peace. I worked on this with the President and his staff for months before he was ready to announce it as he did in his great speech to the General Assembly of the United Nations in December of last year. And we have worked on it during the vicissitudes of Soviet delays. As a start, we have allocated to the plan 100 kilograms of fissionable material, not of weapons grade, and the United Kingdom has allocated another 20 kilograms. Under other provisions of the new Atomic Energy Act, this material may be used, following bilateral agreements between the United States and other countries, to provide the fuel elements for research reactors in those countries. Or it may await the formation of the International Agency, as also envisaged in the Act and as proposed by the President in his speech to the U.N.

Ancillary to the President's plan is the International Scientific Conference on the benign uses of atomic energy which I proposed last April and which is now definitely scheduled for this summer. The advisory committee to the

Secretary General of the United Nations, comprising representatives of 12 nations, will meet in New York next Monday to consider the detailed plans and agenda for the conference. I naturally feel very good about this.

I find that I can extend this list of assets beyond the bounds of time appropriate to remarks at this luncheon.

But in order to make the balance-sheet analogy complete, there ought to be an item of "good will", and I think such an item exists. For I believe that, to a greater extent than we realize, the free world knows that we are very strong and that, unlike other strong nations in history, power has not intoxicated us -- that on the contrary, we have been humble in the face of the realization of our potential for great good or for great evil.

This, gentlemen, is the report to stockholders with, shall I say, the Scotch auditor's admonitory conclusion, E and OE, "errors and omissions excepted". Thank you.

MEMORANDUM FOR: Mr. Dulles

has seen this and concurs.

JSE/c

5 Feb 55
(DATE)